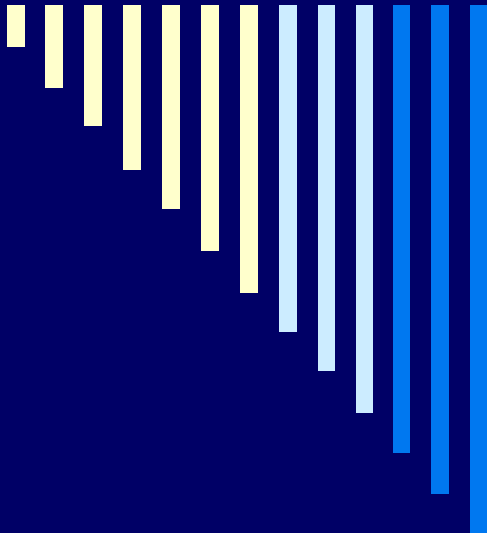


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# Regulatory Framework of Registry Law, Disclosure of Particulars and Court Procedure

Zagreb, 3 May 2013

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# History framework of Court Registry

- Court Registry has been established as a division of commercial court in 1954 for the first time, when were those courts has been founded as specialized courts dealing with commercial disputes between entrepreneurs.
  
- Modern Court Registry was established after enacting
  - - the Company Act in 1993 (substantive law regulating companies) and
  - - Court Registry Act in 1995 (procedural law), 6 time amended
  
- Croatian registry law has been harmonised with the *Aquis.*, especially with the Council Directive 68/151/EEC, amended by Directive 2003/58/EC of the European Parliament and of the Council of 15 July 2003, on disclosure requirements in respect of certain types of companies.



# Forms of legal entities that are registered in the Court Registry

- partnerships
- limited partnerships
- economic interest groupings
- joint stock companies
- limited liability companies
- sole entrepreneurs
- institutions,
- Association of institutions,
- cooperatives,
- cooperative unions,
- credit unions,
- Societas Europaea,
- European economic interest groupings,
- European cooperatives and
- other entities which need to be registered according to the certain laws.



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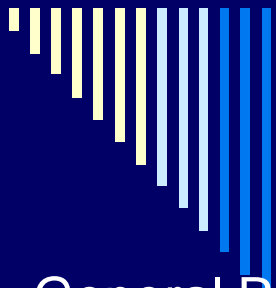
# Statistics

- On 29 of April 2013, there are **138.875** legal entities registered in Croatia and most of them (93.51 %) are companies:
    - 1.287 joint stock companies
    - 128.751 limited liability companies
    - 355 partnerships
    - 96 limited partnerships
    - 76 economic interest groupings
    - 18 sole entrepreneurs
-



# Basic registry principles

- **publicity principle** - everyone (without expressing legal interest) can access the registered particulars and look into the collection documents for each registered entity, and ask for extracts from the Registry ledger and photocopies from Collection of documents.
- **principle of authenticity** - third parties may always rely on any documents and particulars in respect of which the disclosure formalities have not yet been completed, save where non-disclosure causes them not to have effect.
- **principle of trustworthiness** - the documents and particulars may be relied on by the company as against third parties only after they have been published, unless the company proves that the third parties had knowledge thereof.



# Court Registry

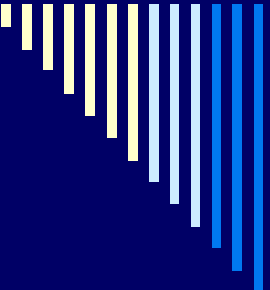


## General Registry Ledger

- contains particulars concerning legal entities whose existence is prescribed by several (different) laws.
- electronic form
- particulars are available through
  - Court Registry application
  - Notary Public
  - official website of Ministry of Justice [www.mprh.hr](http://www.mprh.hr)

## Collection of Documents

- formed for each legal entity and consists of documents concerning each application and supporting the requested registration
- still in paper form – although there is a legal framework for collection of documents in electronic form
- Documents available for each legal entity on the Commercial Court competent according to the entity's headquarters



# Particulars that have to be disclosed are strictly proscribed by law :

- ❑ company name,
- ❑ headquarters in Croatia,
- ❑ company activities i.e. objects of the company;
- ❑ personal data of:
  - company members,
  - sole trader (entrepreneur),
  - sole shareholder,
  - members of board of directors and
  - members executive board,
  - members of supervisory board,
- ❑ nominal capital and changes in nominal capital
- ❑ particulars regarding company's branches,
- ❑ particular regarding the date of adopting of statute and amendments on that statute (memorandum of association and articles of association) by the entity's shareholders/members,
- ❑ company changes:
  - mergers,
  - divisions,
  - restructuring,
  - spin offs,
- ❑ decisions of other court or authorities,
- ❑ particulars that concerns submission of balance sheet and the profit and loss account for each financial year to the financial authority.



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# Registration procedure

- Extra-contentious procedure
- Strictly formal
- Urgent procedure - It has to be conducted within law proscribed time limits of 15 day from submitted correct application and required documents.





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# Registration procedure

1. Submission of application by the applicant for:
  - registering founding entity/company, for
  - registering a change of certain particular within
  - registering winding up/liquidation
2. Submission of request of other court or authority for change of a particular or winding up the company (ex officio procedure)



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# Registration procedure

- Commercial Courts has the obligation to check of justifiability and adequacy of i.e. he has to check if :
  - there is ground to allow the registration of company or a change of certain particular (legality of request) and
  - submitted documents are correctly constituted in order to endorse the requested registration (adequacy of request).

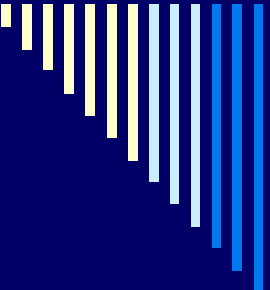


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# Courts decision

Everything is in order:

- Court renders a decision for registering particular, and verifies it with advanced electronic signature, which makes a direct change in Register ledger.
- 24 hours later it is also visible on the MJ web site.



# If a Court finds that everything is not in order:

- applicant is invoked to submit correct document, or the documents he failed to submit the first time in a certain deadline
  - If applicant obeys, court renders a decision for registration according to the request and correct document
  - The omission of an applicant to comply with court's request, results with a Court rejection or refusal of the application



# Legal remedy

- The applicant has the right to appeal to a higher Court only if the application was rejected or refused by the court and the
  - deadline is 15 days from the day the Court's decision was served to him.
- Interested parties (third persons) have the right to appeal
  - deadline 60 days from the day of publishing the e decision in national gazette.



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# Legal remedy

- Second instant court - The High Commercial Court has to decide on appeal within 60 days
- Revision – only in certain cases (exception)



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# Conclusion

- Court Registry is managed by Commercial Courts
- public register meaning that relevant particulars are disclosed to all interested parties.
- two parts, the General Register Ledger and the Collection of Documents
- strictly formal and extra-contentious, urgent procedure

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# QUESTIONS ?

